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AMENDED IN ASSEMBLY JANUARY 20, 2000
AMENDED IN ASSEMBLY APRIL 6, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 499

Introduced by Assembly Member Aroner
(Coauthors: Assembly Members Aanestad, Bates, Corbett,
Kuehl, Steinberg, Strickland, Thomson, Vincent, Wayne,
and Zettel)

February 18, 1999

An act to add Section 14132.26 to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 499, as amended, Aroner. Medi-Cal: assisted living demonstration project.

Existing law provides for the Medi-Cal program, administered by the State Department of Health Services, under which qualified low-income persons are provided with health care services.

This bill would require the department to develop a ~~demonstration project~~ *federal waiver program* to test the efficacy of providing an assisted living benefit, *as described*, to ~~low-income~~ beneficiaries under the Medi-Cal program. *The program would involve reimbursement for services provided to Medi-Cal recipients placed in residential care facilities. It would impose various duties upon both the*

department and the State Department of Social Services in implementing the bill.

The bill would impose certain conditions upon implementation of the waiver program, and would require an evaluation of that program.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) It is the intent of the Legislature to
2 develop options that allow elderly and disabled
3 individuals maximum choice in determining their living
4 arrangements, including the choice to remain in the least
5 restrictive and most homelike environment as they age or
6 grow frail.

7 (b) It is further the intent of the Legislature to ensure
8 that elderly and disabled individuals have access to
9 appropriate health care and personal assistance,
10 regardless of their income level, health status, or choice
11 of housing arrangement.

12 SEC. 2. Section 14132.26 is added to the Welfare and
13 Institutions Code, to read:

14 14132.26. (a) The department shall develop a
15 ~~demonstration-project~~ program that requires a waiver of
16 federal law to test the efficacy of providing an assisted
17 living benefit to ~~low-income~~ beneficiaries under the
18 Medi-Cal program. Assisted living benefits shall include,
19 but are not limited to, the care and supervision activities
20 specified in Section 1569.2 of the Health and Safety Code
21 and Section 87101 of Title 22 of the California Code of
22 Regulations, and other health-related services. The
23 program developed pursuant to this section shall be
24 known as the waiver program for purposes of this section.
25 The department shall submit any necessary waiver
26 applications or modifications to the medicaid state plan
27 to the Health Care Financing Administration to
28 implement the ~~demonstration-project~~ waiver program,
29 and shall implement the ~~project~~ waiver program only to
30 the extent federal financial participation is available.



(b) The department shall develop the ~~demonstration project~~ *waiver program* in conjunction with *other state departments*, consumers, consumer advocates, housing and service providers, and experts in the fields of gerontology, geriatric health, nursing services, and independent living.

(c) The assisted living benefit shall be designed to provide eligible individuals with a range of services that enable them to remain in the least restrictive and most homelike environment while receiving the medical and personal care necessary to protect their health and well-being. Benefits provided pursuant to this ~~demonstration project~~ *waiver program* shall include only those not otherwise available under the state plan, and may include, but are not limited to, medicine management, coordination with a primary health care provider, and case management.

(d) (1) Eligible individuals shall be those who are *eligible for the Medi-Cal program and are determined by the department to be eligible for placement in a nursing facility, as defined under subdivisions (c) and (d) of Section 1250 of the Health and Safety Code*. Eligibility shall be based on an assessment of an individual's ability to perform functional and instrumental activities of daily living, as well as the individual's medical diagnosis and prognosis, *and other criteria, including other Medi-Cal services that the beneficiary is receiving, as specified in the waiver*.

(2) An eligible individual shall participate in the ~~demonstration project~~ *waiver program* only if he or she is fully informed of the ~~project~~ *program* and the nature of the *assisted living* benefit and indicates in writing his or her choice to participate.

(e) (1) The ~~demonstration project~~ *waiver program* shall test the effectiveness of providing a Medi-Cal assisted living benefit through two service delivery approaches, as specified in paragraphs (2) and (3).

(2) Under the first model, an assisted living benefit shall be provided to residents of licensed residential care facilities. *Facility participation in the program shall be*

1 *determined by the department in conjunction with the*
2 *State Department of Social Services and in accordance*
3 *with the criteria for participation specified in the waiver.*
4 Under this model the facility operator shall be responsible
5 for the provision of services allowed under the benefit,
6 either directly or through contracts with other provider
7 agencies, *as permitted and specified in the waiver.*
8 *During participation in the waiver program, residential*
9 *care facilities shall comply with all terms and conditions*
10 *of the waiver. The department and the State Department*
11 *of Social Services, may, as determined necessary and*
12 *appropriate, waive provisions contained in Division 2*
13 *(commencing with Section 1200) of the Health and*
14 *Safety Code, subdivision (h) of Section 14132.95, and Title*
15 *22 of the California Code of Regulations for facilities*
16 *providing services to waiver program participants.*

17 (3) Under the second model, an assisted living benefit
18 shall be provided to residents in publicly funded senior
19 and disabled housing projects. Under this model an
20 independent agency, pursuant to a contract with the
21 department, shall be responsible for the provision of *case*
22 *management and other services to eligible individuals, as*
23 *specified in the waiver.*

24 (f) The department shall evaluate the effectiveness of
25 ~~the demonstration project waiver program.~~

26 (1) The evaluation shall include, but not be limited to,
27 participant satisfaction ~~and a comparison of the~~
28 ~~cost-effectiveness of the demonstration project with~~
29 ~~current state programs that provide services to~~
30 ~~low-income elderly and disabled persons., health, and~~
31 *safety, the quality of life of the participant receiving the*
32 *assisted living benefit, and demonstration of the cost*
33 *neutrality of the waiver program as specified in federal*
34 *guidelines.*

35 (2) The evaluation shall estimate the projected
36 savings, if any, in the budgets of state and local
37 governments if the program was expanded statewide.

38 (3) The evaluation shall be submitted to the
39 appropriate policy and fiscal committees of the
40 Legislature on or before January 1, ~~2002~~ 2003.

1 (g) The department shall limit the number of
2 participants in the ~~—demonstration—~~project waiver
3 program during the initial three years of its operation to
4 a number that will be statistically significant for purposes
5 of the program evaluation and that meets any
6 requirements of the federal Health Care Financing
7 Administration.

8 ~~(h) The aggregate costs of benefits under the~~
9 ~~demonstration project shall not exceed the average~~
10 ~~monthly rate for the placement of waiver participants in~~
11 ~~a skilled nursing facility. Administration, including a~~
12 ~~request to waive statewide implementation~~
13 ~~requirements for the waiver program during the initial~~
14 ~~years of evaluation.~~

15 (h) In implementing this section, the department may
16 enter into contracts for the provision of essential
17 administrative and other services. Contracts entered into
18 under this section may be on a noncompetitive bid basis,
19 and shall be exempt from the requirements of Chapter 2
20 (commencing with Section 10290) of Part 2 of Division 2
21 of the Public Contract Code.

22 (i) The department shall not implement the waiver
23 program specified in subdivision (a) if it will result in
24 additional costs to the state.

25 (j) The waiver program shall be developed and
26 implemented only to the extent that funds are
27 appropriated for that purpose.